



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

CLASSIFICATION CIRCULAR 8

ADJUSTMENTS TO THE STANDARD CHART OF ACCOUNTS (SCOA) VERSION 4

PURPOSE

1. The purpose of this circular is to inform all government financial practitioners of the changes made to the Standard Chart of Accounts (SCOA) 2014/15 financial year.

DISCUSSION

2. Changes to the chart will be discussed according to each of the segments. Please note where applicable in a segment, all terminology has been aligned to the changes introduced and implemented 1 April 2013.
3. Reasons for the amendments to the SCOA are provided along with an illustration of the impact thereon.

FUND SEGMENT

4. This segment has been aligned to the published Appropriation and Division of Revenue Bills for 2014.

OBJECTIVE SEGMENT

5. Programme structures of national and provincial departments were updated and aligned to the budget statements of departments as tabled in Parliament and the Legislatures.
6. Where a programme and subprogramme name changed, departments must ensure the same name changes are applied to the various transversal systems. Name changes will not affect the current link codes. Where new creations to the entire programme and its subprogrammes in the financial system were done, departments must activate the entire new structure and re-link the codes to the various transversal systems for interfaces.

RESPONSIBILITY SEGMENT

7. No changes were made to this segment of the chart.

ITEM SEGMENT

PAYMENTS

Compensation of Employees

8. No changes were made to this category of payments items in the chart

Goods and Services

Assets less than R5000

9. The item Assets less than R5000 has been renamed to Minor Assets. The change is in line with Modified Cash Standard which refers to minor asset as non-current tangible or intangible assets of a department that are expected to be used or held by that department for longer than one year.

Table 1.1: Highlight of the current structure in the Chart

| 3 | 4 | 5 | SEGMENT DETAIL NO | P/NP LEVEL | LEVEL |
|---|---|---|-------------------------|---------------|-------|
| | | | 64 | N | 3 |
| | | | 343 | N | 4 |
| | | | 1089 | N | 5 |
| | | | 1090 | N | 5 |
| | | | 1091 | N | 5 |
| | | | 1092 | N | 5 |
| | | | 1093 | N | 5 |
| | | | 1094 | N | 5 |
| | | | 1095 | N | 5 |

Table 1.2: Highlight of the new structure in the Chart

| 3 | 4 | 5 | SEGMENT DETAIL NO | P/NP LEVEL | LEVEL |
|---|---|---|-------------------------|---------------|-------|
| | | | 64 | N | 3 |
| | | | 343 | N | 4 |
| | | | 1089 | N | 5 |
| | | | 1090 | N | 5 |
| | | | 1091 | N | 5 |
| | | | 1092 | N | 5 |
| | | | 1093 | N | 5 |
| | | | 1094 | N | 5 |
| | | | 1095 | N | 5 |

PROJECT SEGMENT

10. The current non-posting level NO PROJECTS (STAND ALONE) in the Project segment will be renamed to NO PROJECTS. This is done with the objective of promoting consistency in the use of the item and allowing non-stand-alone items to be classified under the item.

Table 2.1 and 2.2 below illustrate the changes made in the Chart.

Table 2.1: Highlight of the current structure in the Chart

| 1 | 2 | SEGMENT DETAIL NO | P/NP LEVEL | LEVEL |
|---|----------------------------------|-------------------------|---------------|-------|
| | NO PROJECTS (STAND ALONE ITEM) | 2 | N | 1 |
| | NO PROJECTS | 4 | Y | 2 |
| | NP RESEARCH AND DEVELOPMENT(S&T) | 7 | Y | 2 |

Table 2.2: Highlight of the new structure in the Chart

| 1 | 2 | SEGMENT DETAIL NO | P/NP LEVEL | LEVEL |
|---|----------------------------------|-------------------------|---------------|-------|
| | NO PROJECTS | 2 | N | 1 |
| | NO PROJECTS | 4 | Y | 2 |
| | NP RESEARCH AND DEVELOPMENT(S&T) | 7 | Y | 2 |

ASSET SEGMENT

11. No changes were made to this segment of the chart.

INFRASTRUCTURE SEGMENT

12. New Infrastructure codes for Operating Leases for the newly created Operating leases items have been created (as published in classification circular 7). It was decided that the current operating category links in the infrastructure segment not be amended as they would have influence on historical data in cases where departments would have to capture 13th month journals.

13. Changes to the Internal Charges classification were also done; this is to limit the use of the code as it should only be used by Department of Correctional Services. The newly created Internal Charges codes will be available only to Department of Correctional Services.

Table 3.1 and 3.2 below illustrate the changes made in the Chart.

Table 3.1: Highlight of the current structure in the Chart

| 1 | 2 | 3 | 4 | SEGMENT DETAIL NO | P/NP LEVEL | LEVEL |
|---|---|---|---|-------------------------|---------------|----------|
| | DEPARTMENTAL EXPENDITURE | | | 1 | N | 1 |
| | INFRASTRUCTURE ASSETS | | | 4 | N | 2 |
| | INFRASTRUCTURE: LEASES | | | 71 | N | 3 |
| | INFRASTRUCT:OPERATING LEAS (CUR) | | | 105 | Y | 4 |
| | NON INFRASTRUCTURE | | | 72 | N | 2 |
| | NON INFRA:INTERNAL CHARGES | | | 84 | N | 3 |
| | NON INFRA:INTERN CHARGES CURRENT | | | 91 | Y | 4 |
| | NON INFRA:INTERN CHARGES CAPITAL | | | 92 | Y | 4 |
| | NON INFRA:LEASES | | | 74 | N | 3 |
| | NON INFRA:OPERATING LEASES (CUR) | | | 107 | Y | 4 |

Table 3.2: Highlight of the new structure in the Chart

| 1 | 2 | 3 | 4 | SEGMENT DETAIL NO | P/NP LEVEL | LEVEL |
|---|----------------------------|---|---|-------------------------|---------------|----------|
| | DEPARTMENTAL EXPENDITURE | | | 1 | N | 1 |
| | INFRASTRUCTURE ASSETS | | | 4 | N | 2 |
| | INFRASTRUCTURE: LEASES | | | 71 | N | 3 |
| | | | INFRASTRUCT:OPERATING LEAS (CUR) | 105 | Y | 4 |
| | | | INFRASTRUCT:OPERATING LEAS (CUR) | 136 | Y | 4 |
| | NON INFRASTRUCTURE | | | 72 | N | 2 |
| | NON INFRA:INTERNAL CHARGES | | | 84 | N | 3 |
| | | | NON INFRA:INTERN CHARGES CURRENT | 91 | Y | 4 |
| | | | NON INFRA:INTERN CHARGES CAPITAL | 92 | Y | 4 |
| | | | NON INFRA:INTERN CHARGES CURRENT | 138 | Y | 4 |
| | | | NON INFRA:INTERN CHARGES CAPITAL | 139 | Y | 4 |
| | NON INFRA:LEASES | | | 74 | N | 3 |
| | | | NON INFRA:OPERATING LEASES (CUR) | 107 | Y | 4 |
| | | | NON INFRA:OPERATING LEASES (CUR) | 137 | Y | 4 |

REGIONAL SEGMENT

14. Changes have been made to align the current structure with the latest details from the Municipal Demarcation Board.

Contact information

15. Please contact the SCOA project team via the **SCOA call centre at (012) 315 5311**, or by sending a concise mail to scoa@treasury.gov.za if further clarity or discussion is required regarding the changes highlighted above.
16. For updated versions of the SCOA COR database and classification circulars please visit <http://scoa.treasury.gov.za/>

Regards,

SCOA Technical Committee

Date: 31 March 2014